



VOTE SOLAR

OPEN MEETING AGENDA ITEM

sunrun



October 27, 2020

Re: Energy Rules RU-00000A-18-0284

Chairman Burns and Commissioners,

We have had the chance to review Commissioner Dunn's Second Revised Proposed Amendment No. 4 and believe with just a couple small changes it can represent an acceptable policy for energy storage moving forward. Below we provide a redline of the proposed amendment to propose changes that; 1) clarify the percent of the storage target that must be derived from customer-owned or leased storage; and 2) requires utilities to offer both types of programs and tariffs required under the new rules. We are supportive of this amendment with the changes set out below and encourage the Commission to adopt this amendment with these changes at its Open Meeting on the October 29th.

**COMMISSIONER DUNN *SECOND REVISED* AMENDMENT NO. 4**TIME/DATE PREPARED: October 14, 2020

COMPANY: Arizona Corporation Commission

AGENDA ITEM NO.15

DOCKET NO(S). RU-00000A-18-0284

OPEN MEETING DATE: October 13, 2020

**Purpose:** This amendment combines addresses a distributed storage standard and the requirement for an Electric Utility to develop an Energy Storage System Tariff. This amendment combines Commissioner Marquez Peterson's Proposed Amendment No. 4, Chairman Burns Revised Proposed Amendment No. 1 and Commissioner Dunn Proposed Amendment No. 4.

**Changes to Exhibit A of Staff's July 29, 2020 Memorandum and Proposed Order****Under Exhibit A****Under R14-2-2701. Definitions****Insert:**



"Aggregation" means the operation of two or more Distributed Storage systems under a Tariff established pursuant to R14-2-27XX.

"Aggregator" means any person other than an Electric Utility that coordinates the operation of two or more Distributed Storage systems under a tariff pursuant to R14-2-27XX.

"Distributed Storage" means an Energy Storage System that is located on the Distribution System or any subsystem of the Distribution System, or behind the Customer meter.

"Limited-Income Customer" means:

- a. A residential Customer with annual household income at or below 250 percent of the Federal Poverty Level; or
- b. A residential Customer with annual household income at or below a percentage of the Federal Poverty Level higher than 250 percent, as established by an Electric Utility in a Commission approved Tariff.

"Tariff" means a document setting forth requirements related to an Electric Utility's service, such as rates and charges, other terms and conditions of service, available program offerings, or any combination of these.

**Delete:**

35. "Distributed Renewable Storage Standard" means the percentage of an Electric Utility's annual retail electric sales that is required to be derived from a Customer-owned or Customer-leased Renewable Energy Resource paired with an Energy Storage System.

**Under R14-2-2705(B):**

**Delete:**

", with at least 10% of its retail kWh sales derived from Distributed Renewable Storage"

**Insert:**

3. By December 31, 2035, the installation of Energy Storage Systems with an aggregate capacity equal to 5% of the Electric utility's 2020 peak demand, of which at least ~~50%~~ 40% shall be derived from Customer-owned or Customer-leased Distributed Storage ~~charged with a Renewable Energy Resource.~~

**Insert:**

**R14-2-27XX. Energy Storage System Tariffs**



- A. Within ~~12060~~ days after the effective date of this Section, an Electric Utility shall file with the Commission, for approval, one or more tariffs and one or more programs that:
1. Establishes an incentive program, such as a one-time, upfront incentive, that encourages Customers, including Limited-Income Customers, to purchase or lease Distributed Storage in exchange for the Customer's participation in a Demand Response or other program offered by the Electric Utility; ~~and~~
  2. Establishes one or more values for providing compensation to or crediting Customers, Limited-Income Customers, and Aggregators for operational attributes such as, but not limited to, capacity, Demand Response, demand reduction, load shifting, locational value, voltage support, other ancillary and grid services, Electric Utility control, and any additional operating attributes the Commission may recognize, that encourages Customers, Limited-Income Customers, and Aggregators to purchase or lease, or engage in Aggregation of Distributed Storage.
- B. An Electric Utility's Energy Storage System Tariff shall not require that a Customer's Energy Storage System be associated with Distributed Generation.

**\*\* Make all conforming changes**